Business Intelligence and Analytics as a Foundation for Organizational Dynamic Capabilities

Emergent Research Forum Paper

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Abstract

The use of business intelligence and analytics (BI&A) is often claimed to be a means by which organizations may improve their competitive stance. Despite these claims, there is limited theorizing about the mechanism through which BI&A enables improved organizational outcomes. Based on the dynamic capabilities perspective, and specifically Teece’s (2007) sense, seize, transform conceptualization, this research-in-progress theorizes about the link between BI&A and organizational performance. A conceptual model is presented which positions BI&A as sensing and seizing components of organizational dynamic capabilities, thus grounding the relationship between BI&A and performance in an established strategic management theory. The implications of this conceptualization include the notion that BI&A capabilities are organizational and managerial capabilities, not simply technical assets. In addition, to realize the benefits of BI&A, organizations must respond to the information provided by BI&A systems by making timely decision to reconfigure organizational resources, and adequately implement decisions.

Keywords

Business intelligence, business analytics, dynamic capabilities, firm performance.